

ADOPTED BY THE COMMITTEE ON ETHICS ON JUNE 23, 2016

**114TH CONGRESS, 2ND SESSION
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ETHICS**

**IN THE MATTER OF ALLEGATIONS RELATING TO
REPRESENTATIVE VERNON G. BUCHANAN**

June 24, 2016

OWD Mr. DENT from the Committee on Ethics submitted the following

REPORT

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U.S. House of Representatives

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June 24, 2016

The Honorable Karen L. Haas
Clerk, House of Representatives
Washington, DC 20515

Dear Ms. Haas:

Pursuant to clauses 3(a)(2) and 3(b) of Rule XI of the Rules of the House of Representatives, we herewith transmit the attached report, "In the Matter of Allegations Relating to Representative Vernon G. Buchanan."

Sincerely,

Handwritten signature of Charles W. Dent in black ink.

Charles W. Dent
Chairman

Handwritten signature of Linda T. Sánchez in black ink.

Linda T. Sánchez
Ranking Member

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**114TH CONGRESS, 2ND SESSION
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COMMITTEE ON ETHICS**

**IN THE MATTER OF ALLEGATIONS RELATING TO
REPRESENTATIVE VERNON G. BUCHANAN**

June 24, 2016

Mr. DENT from the Committee on Ethics submitted the following

R E P O R T

In accordance with House Rule XI, clauses 3(a)(2) and 3(b), the Committee on Ethics (Committee) hereby submits the following Report to the House of Representatives:

I. INTRODUCTION

Since 2012, the Committee has investigated allegations regarding Representative Vernon G. Buchanan and his campaign, as well as his interactions with an investigation by the Federal Election Commission (FEC) of those allegations. Following its investigation, the Committee concluded that there is insufficient evidence to support a finding of any violation by Representative Buchanan. This Report details the Committee's findings and conclusions.

On January 27, 2012, the Office of Congressional Ethics (OCE) transmitted a Report and Findings (Referral) relating to Representative Buchanan to the Committee. OCE's Referral recommended that the Committee further review allegations that Representative Buchanan "attempted to influence the testimony of a witness in a proceeding before the FEC" by coercing the witness to sign a false affidavit in violation of federal law and House Rules. OCE's Referral provided additional information about the allegation that Representative Buchanan attempted to improperly influence the testimony of his former business partner, Sam Kazran, by presenting Mr. Kazran with an affidavit for his signature which included false statements about wrongdoing with respect to Representative Buchanan's campaign.¹

¹ A referral from the OCE to the Committee may include a recommendation that the Committee further review an allegation or dismiss it and provide the Committee with certain types of information regarding the allegation, but not the names of any cooperative witnesses or any conclusions regarding the validity of the allegations or the guilt or innocence of the individual who is the subject of the review. *See* H. Res. 895 § 1(c)(2)(C).

The Committee agreed with OCE's recommendation and did further review the allegations in its Referral. On May 9, 2012, the Committee published OCE's Referral and a response from Representative Buchanan, and announced that the Committee would investigate the matter under Committee Rule 18(a).

In addition to the allegations regarding improperly influencing a witness, the Committee examined a broader range of allegations than the allegations for which OCE recommended further review. The Committee investigated allegations relating to Representative Buchanan's campaign, including whether several car dealerships partly owned by Representative Buchanan illegally reimbursed their employees for contributions to Representative Buchanan's House campaigns and whether Representative Buchanan himself may have been aware of the unlawful reimbursements at the time they occurred, or had some role in directing or approving of them.²

Together, these allegations were the subject of review by four different entities – the Committee, OCE, FEC, and Department of Justice (DOJ) – as well as related civil litigation in state court. In the course of its investigation the Committee reviewed over 6,000 pages of materials, including statements by 22 witnesses. Much of this material was generated through the course of the related investigations and proceedings. The Committee also interviewed Representative Buchanan, who agreed to appear before the Committee for a voluntary interview.

The FEC investigated the allegations of unlawful reimbursements and the allegations concerning Representative Buchanan's knowledge of, and involvement with, the corporate reimbursement of campaign contributions, and the allegation that he attempted to influence Mr. Kazran's testimony before the FEC. The FEC closed its investigation as it related to Representative Buchanan on February 1, 2011, taking no further action against him.

Additionally, beginning in late 2011, the DOJ investigated similar allegations relating to Representative Buchanan. The DOJ closed its investigation around September 2012.

The allegation related to attempting to improperly influence the testimony of Mr. Kazran was also one of several allegations that arose in a civil suit between Mr. Kazran and Representative Buchanan in Florida state court. On November 10, 2014, at the close of Mr. Kazran's case-in-chief, the Florida Circuit Court for Sarasota County directed a verdict in favor of Representative Buchanan with regard to the allegation that he improperly influenced testimony.

² Some of the allegations reviewed by the Committee occurred prior to the 111th Congress, prior to the Committee's general investigative jurisdiction, which includes the current and three previous Congresses. However, pursuant to House Rule XI, clause 3(b)(3) and Committee Rule 18(d), the Committee voted to determine that these allegations were directly related to alleged violations that occurred within the Committee's general jurisdiction and did investigate those allegations.

Finally, OCE reviewed the allegation that Representative Buchanan attempted to improperly influence the testimony of Mr. Kazran before the FEC and ultimately recommended that the Committee further review that allegation.

As is true with all of its investigations, the Committee conducted an independent review without deferring to the findings or conclusions of any other entity. In this matter, the Committee also reviewed the allegations that were the subject of proceedings before the FEC, DOJ, and in the Florida Circuit Court for Sarasota County.

Consistent with the resolutions in the matters before the FEC and DOJ, as well as in the related civil litigation, the Committee concluded that there is insufficient evidence to sustain any of the aforementioned allegations or to warrant any action against Representative Buchanan. Specifically, the Committee concluded that three car dealerships partly owned by Representative Buchanan did, in fact, illegally reimburse their employees for contributions to Representative Buchanan's House campaigns. However, the Committee found that the evidence is insufficient to conclude that Representative Buchanan himself was aware of the unlawful reimbursements when they were made, or had any role in directing or approving of them. The Committee further concluded that the evidence is insufficient to find that Representative Buchanan attempted to improperly influence the testimony of Mr. Kazran before the FEC. However, as discussed further in this Report, the Committee cautions Representative Buchanan to exercise more diligence over affairs related to his campaign.

Accordingly, the Committee unanimously voted to release this Report and take no further action in this matter.

II. PROCEDURAL HISTORY

As noted above, the issues discussed in this Report were the subject of other investigations and hearings. On August 19, 2008, Citizens for Responsibility and Ethics in Washington (CREW) filed a complaint with the FEC against Representative Buchanan, as well as a number of corporations with which he was affiliated and officers and employees of those corporations, alleging violations of the Federal Election Campaign Act (FECA). Specifically, CREW alleged that employees at two car dealerships owned by Representative Buchanan were compelled to donate to Representative Buchanan's campaign committee, Vern Buchanan For Congress (VBFC), and that their campaign contributions were later unlawfully reimbursed from corporate funds. On October 6, 2008, Representative Buchanan disclosed to the FEC that VBFC may have unknowingly violated the FECA by accepting contributions from employees of another car dealership owned by Representative Buchanan, who were then reimbursed by the dealership. While these allegations were similar in nature to the CREW allegations, CREW's complaint related to different contributions and corporations. The FEC investigated both CREW's complaint and Representative Buchanan's self-report, including the allegations concerning Representative Buchanan's knowledge of, and involvement with, the corporate

reimbursement of campaign contributions. The FEC closed the investigation as it related to Representative Buchanan on February 1, 2011, taking no further action against him.³

On August 24, 2011, CREW wrote to the DOJ, requesting an investigation into not only the alleged violations of FECA previously disposed of by the FEC, but also a series of alleged crimes including obstruction of justice, witness tampering, and bribery, related to a draft affidavit prepared for Mr. Kazran.⁴ Representative Buchanan's attorneys acknowledged a DOJ investigation, but that investigation was subsequently closed without formal charges.⁵ On December 18, 2013, CREW filed suit against the DOJ under the Freedom of Information Act (FOIA), seeking the release of its investigative file in that matter.⁶ The DOJ ultimately released certain documents regarding Representative Buchanan to CREW, and the parties settled their suit on June 29, 2015.⁷

On October 3, 2011, OCE notified the Committee that it had initiated a preliminary review of allegations that Representative Buchanan "may have attempted to influence a witness to sign a false affidavit related to an FEC investigation of campaign contributions to his campaign committee."⁸ On October 31, 2011, OCE notified the Committee that it commenced a second-phase review of these allegations. On January 27, 2012, OCE sent its Referral to the Committee, recommending further review of the allegations. OCE's Referral found substantial reason to believe that a single paragraph of the draft affidavit may have been false, and that consequently, Representative Buchanan may have violated three separate criminal statutes.⁹

³ The FEC continued to investigate allegations of conduit contributions by other corporate entities and individuals, even after it concluded its investigation of Representative Buchanan himself. The FEC sued Mr. Kazran (eventually obtaining a settlement against him and a default judgment against the related corporate entity), and reached conciliation agreements with a number of other individuals and entities. See *infra* Part IV.B. The FEC appears to have concluded all business related to this investigation in March 2012. Additionally, in 2010, the FEC undertook an unrelated investigation of contributions to Representative Buchanan's campaign that were reimbursed by a company not owned by or directly affiliated with Representative Buchanan; Representative Buchanan was not a party to that proceeding. See Federal Election Commission, *In the Matter of Timothy F. Mobley, et al.*, MUR 6516. The FEC found that the companies in question, which were also targeted by a related DOJ investigation, knowingly reimbursed contributions to Representative Buchanan's campaign, and the FEC entered into conciliation agreements with those companies and the individuals who owned and controlled them.

⁴ See Letter from CREW Executive Director Melanie Sloan to FBI Assistant Director James W. McJunkin (Aug. 24, 2011), available at <http://www.citizensforethics.org/legal-filings/entry/crew-files-fbi-complaint-against-rep-vern-buchanan>.

⁵ DOJ has never publicly acknowledged a date by which it ended its investigation, publicly stating only that it had in fact closed the investigation. See *CREW v. DOJ*, No. 13-cv-2000 Docket #2 ¶ 7 (Answer) (Mar. 6, 2014). But media reports indicate that this decision may have been made as early as September 2012. See, e.g., Adam C. Smith, *Justice Department closes investigations against Vern Buchanan with no charges*, Tampa Bay Times (Sept. 11, 2012), available at <http://www.tampabay.com/blogs/the-buzz-florida-politics/content/justice-department-closes-investigations-against-vern-buchanan-w-no-charges>.

⁶ *CREW v. DOJ*, Docket #1 (Dec. 18, 2013).

⁷ *Id.*

⁸ The FECA violations investigated by the FEC occurred from 2005 through 2007; OCE's investigative authority does not extend to violations that occurred prior to 2008. See H. Res. 895 § 4.

⁹ OCE found that a number of witnesses, including Representative Buchanan, had failed to fully cooperate with OCE's review, and accordingly noted in its Referral that it was permitted to draw a negative inference from that lack

OCE also included in its Referral a section noting that, depending on the facts surrounding the FECA allegations, additional paragraphs in the draft affidavit “may” be false,¹⁰ but it is unclear as to whether OCE found substantial reason to believe those allegations.¹¹

Some of the allegations in this matter were also the subject of a civil suit between Mr. Kazran and Representative Buchanan in the Florida Circuit Court for Sarasota County. Representative Buchanan’s holding company filed suit against Mr. Kazran in Duval County on September 4, 2008.¹² The suit alleged that Mr. Kazran had failed to repay a \$2.5 million loan. In turn, Mr. Kazran filed suit against Representative Buchanan in Sarasota County on September 25, 2008. His complaint was largely based on claims that Representative Buchanan had engaged in fraud related to his business dealings with Mr. Kazran, but the complaint also included allegations that Representative Buchanan abused the legal process by attempting to force Mr. Kazran to sign a false affidavit.¹³ It appears based on the dockets for both cases that Representative Buchanan eventually chose not to pursue his claims in Duval County, instead countersuing Mr. Kazran in Sarasota County and litigating his claims there. Representative Buchanan won summary judgment motions on some of the claims against him; Mr. Kazran’s remaining claims, as well as Representative Buchanan’s own causes of action, went to trial on November 3, 2014. On November 10, 2014, at the close of Mr. Kazran’s case-in-chief, the court directed a verdict in favor of Representative Buchanan. On December 5, 2014, following a jury verdict, the court entered judgment in favor of Representative Buchanan on his own claims against Mr. Kazran, and ordered Mr. Kazran to pay Representative Buchanan \$2.5 million plus interest.

A number of factors caused the Committee’s review of these allegations to take longer than normal, beginning with the convoluted set of parallel proceedings described above. Exacerbating that complication, Representative Buchanan initially responded to the Committee’s request for information by requesting that the Committee defer its inquiry at least until the conclusion of DOJ’s investigation, and then, once DOJ had closed the matter, Representative Buchanan requested that the Committee close its own inquiry with no further investigation based solely on DOJ’s decision. The Committee declined to do so, and continued its own investigation. These requests, and the Committee’s consideration of them, resulted in a delay of at least fifteen months. The Committee faced further delays as it attempted to obtain evidence collected in the other inquiries described above.

As noted above, the Committee reviewed over 6,000 pages of materials, including statements by 22 witnesses. Much of this material was generated through the course of the

of cooperation. *See* OCE’s Referral ¶ 87. Despite this, OCE “judged the evidence adduced to be more than sufficient to support its determination,” irrespective of such an inference. *Id.*

¹⁰ *See* OCE’s Referral ¶¶ 70-86.

¹¹ Subsequent correspondence from OCE stated that “OCE did not adopt Mr. Kazran’s statement that Representative Buchanan directed him to reimburse campaign contributions.” Letter from David Skaggs and William Frenzel to Chairman and Ranking Member of Committee on Ethics at 4 (Apr. 2, 2012).

¹² *See 1099 Mgmt. Co., LLC v. Gwinnett, LLC*, No. 2008 CA11480 (Fla. Cir. Ct., Duval Cty.).

¹³ *Kazran v. Buchanan*, 2008 CA 15448 (Fla. Cir. Ct., Sarasota Cty.).

parallel investigations described above.¹⁴ The Committee also interviewed Representative Buchanan, who agreed to appear before the Committee for a voluntary interview.

III. HOUSE RULES, LAWS, REGULATIONS, AND OTHER STANDARDS OF CONDUCT

A number of criminal statutes prohibit actions that intentionally interfere with ongoing government investigations. First, 18 U.S.C. § 201(b)(3) prohibits bribing a witness, which is the act of corruptly giving, offering, or promising anything of value to any witness with the intent to influence the witness' testimony. Second, 18 U.S.C. § 1505 prohibits persons from corruptly obstructing an executive branch agency proceeding. Obstruction of a proceeding is defined as "do[ing] something to sway or change or prevent any action likely to be taken in the . . . proceeding."¹⁵ Finally, 18 U.S.C. § 1512(b)(2)(A) prohibits witness tampering, which includes, among other things, corruptly persuading a witness in an official proceeding to fail to offer testimony, or to offer testimony that is false. An "official proceeding" includes agency proceedings as well as those in court.¹⁶

The Federal Election Campaign Act (FECA), 52 U.S.C. §§ 30101 *et seq.*, imposes a number of restrictions on campaign contributions, including a prohibition on making a campaign contribution in the name of another person.¹⁷ Contributions that violate FECA Section 30122 are sometimes described as "reimbursed" or "conduit" contributions. Violations of Section 30122 are punishable based on the aggregate amount of offending contributions; contributions over \$2,000 are misdemeanors punishable by a fine and up to a year imprisonment, while contributions over \$25,000 are felonies punishable by a fine and up to five years imprisonment.

Finally, House Rule XXIII, clauses 1 and 2 state that "[a] Member . . . of the House shall behave at all times in a manner that shall reflect creditably on the House," and "shall adhere to the *spirit and the letter* of the Rules of the House . . ." (emphasis added).

¹⁴ The Committee determined that this information was sufficient to dispose of this matter, and chose not to re-interview certain witnesses who had already been questioned, including Mr. Kazran. In part, this determination was based on independent concerns about Mr. Kazran's credibility, as outlined *infra* at Part IV. Additionally, the Committee's review of the extant testimony did not reveal sufficient evidentiary gaps to warrant duplicative interviews. Finally, because the Committee's determination rested on a legal conclusion regarding the elements of the offenses, the bulk of the outstanding factual questions were not relevant to its final conclusion. See *infra* Part V.A.

¹⁵ 11th Cir. Federal Criminal Pattern Jury Instructions at 347.

¹⁶ 18 U.S.C. § 1515(a)(1)(C).

¹⁷ Previously codified as 2 U.S.C. §§ 431 *et seq.*

IV. BACKGROUND

A. Business Disputes Between Representative Buchanan and Mr. Kazran, and the Draft Affidavit

From at least 2005 through 2008, Representative Buchanan, either directly or through a corporation he owned — 1099 Management Company, LLC (1099 Management) — held an ownership interest in several car dealerships, including Venice Nissan Dodge (VND), Suncoast Ford (SCF), and Hyundai of North Jacksonville (HNJ).¹⁸ HNJ was, at the time relevant to this matter, a car dealership in Jacksonville, Florida. Representative Buchanan owned a majority stake in HNJ until 2008, when he sold his interest to Mr. Kazran, who had been up to that point the president and minority owner of HNJ.¹⁹

Over the summer of 2008, Representative Buchanan's business relationship with Mr. Kazran began to deteriorate. The fallout from that relationship was then litigated on a continuous basis and in a number of forums until at least late 2014. To summarize, when Representative Buchanan sold his interest in HNJ to Mr. Kazran, he loaned Mr. Kazran the funds used to purchase his equity interest, essentially converting his ownership in HNJ into a loan to Mr. Kazran.²⁰ In 2008, Mr. Kazran sought additional funds from Representative Buchanan to purchase Kia dealerships in Jacksonville, which Representative Buchanan provided in the form of a \$2.5 million personal unsecured loan.²¹ Representative Buchanan alleged that Mr. Kazran stopped repaying this loan in the summer of 2008.²² Representative Buchanan was concerned that Mr. Kazran might declare bankruptcy, and he began negotiating a settlement that involved paying Mr. Kazran millions of additional dollars in exchange for ownership of other dealership properties.²³ Mr. Kazran, for his part, claimed that Representative Buchanan breached a variety of agreements between them and their related businesses.²⁴ Representative Buchanan and Mr. Kazran ended up filing suit against each other in at least two state courts.²⁵

As discussed more fully below at Section IV.B.3., the evidence shows that before the breakdown in the relationship between Mr. Kazran and Representative Buchanan, over the course of two election cycles in 2006 and 2008, Mr. Kazran instructed HNJ employees and other individuals to contribute to VBFC.²⁶ Mr. Kazran subsequently directed the HNJ controller to write checks drawn from HNJ accounts to those individuals to reimburse their contributions.

¹⁸ See Representative Buchanan's Financial Disclosure Statement for January 1, 2004 - April 30, 2006 (filed May 12, 2006).

¹⁹ See *FEC v. Kazran*, No. 10-cv-1155, Docket # 1 at ¶ 16 (M.D. Fla. Dec. 17, 2010).

²⁰ *FEC, In the Matter of Vern Buchanan et al.*, MUR 6054 (hereinafter "FEC Investigation"), Deposition of Representative Buchanan.

²¹ *Id.*

²² *Id.*

²³ *Id.* It is worth noting that in 2008, a state court in Georgia held Mr. Kazran in contempt based on actions taken after a business he controlled entered receivership. See *infra* Part IV.B.3.

²⁴ See generally *Kazran v. Buchanan*, 2008 CA 15448 (Fla. Cir. Ct., Sarasota Cty.).

²⁵ See *id.*; see also *1099 Mgmt. Co., LLC v. Gwinnett, LLC.*, 16 2008 CA 011480 (Fla. Cir. Ct., Duval Cty.).

²⁶ FEC Investigation, General Counsel's Report #7 at 4-5.

The reimbursed contributions totaled \$67,900.²⁷ On September 8, 2008, while the parties were discussing the resolution of their legal disputes, Mr. Kazran sent an email to John Tosch – the CEO of Representative Buchanan’s company, 1099 Management, LLC – stating that HNJ had reimbursed its employees for their contributions to VBFC:

This is the 1st set of [reimbursement] checks, there are more to follow, It [sic] gives me great regret to have done this for Vern when he doesn’t even hesitates [sic] for a second to sue me and my wife over 20k. Maybe he can consider taking part of this 80k+ as one month of payment so my wife doesn’t cry out of fear of loosing [sic] our home.²⁸

This September 8, 2008 email appears to have been the first clear indication to Representative Buchanan that Mr. Kazran had directed HNJ to reimburse contributions its employees made to VBFC. However, there had been prior communications between Mr. Kazran, Representative Buchanan, and their respective associates regarding campaign contributions generally. On August 26, 2008, Mr. Kazran emailed Representative Buchanan to discuss their legal dispute, and noted that he was “the only one in our group that has donated over 80k” to VBFC.²⁹ On August 27, 2008, Joshua Farid, formerly the CFO of HNJ and Mr. Kazran’s brother-in-law, wrote to Mr. Tosch and referred to the support that “the dealership” had provided to Representative Buchanan’s campaign, “to a tune of \$80K.”³⁰ While neither of these communications clearly alleged that HNJ had reimbursed its employees for their contributions to Representative Buchanan’s campaign, they might have alerted Representative Buchanan or his associates and counsel that something was amiss.³¹

On October 2, 2008 – approximately three weeks after Mr. Kazran’s September 8, 2008 email to Mr. Tosch – Mike Lindell, the attorney representing Representative Buchanan in his civil dispute with Mr. Kazran,³² transmitted a Term Sheet outlining a proposed settlement of the outstanding disputes between Mr. Kazran and Representative Buchanan. Representative Buchanan’s signature appears on this Term Sheet, but during his testimony before the Committee, he could not recall signing the document, and stated that he may have signed it without reading it.

Much of this Term Sheet was similar to previous settlement proposals between the parties, insofar as it proposed that Representative Buchanan and Mr. Kazran would settle their

²⁷ *Id.*

²⁸ OCE’s Referral, Ex. 8.

²⁹ OCE’s Referral ¶¶ 60, 61.

³⁰ *Id.*

³¹ For example, a review of Mr. Kazran’s contributions to VBFC would indicate that he did not make \$80,000 in contributions to the campaign in his own name, which could raise the question of what the “over \$80K” figure referred to.

³² This attorney is not the same attorney that represented Representative Buchanan or VBFC in the FEC Investigation, OCE’s inquiry, or the Committee’s review.

disputes, in exchange for which Representative Buchanan would purchase certain dealership assets from Mr. Kazran and help him pay off obligations at another dealership, through a cash payment of \$2.9 million.³³ Unlike the previous proposals, however, this Term Sheet included a draft affidavit regarding the reimbursed campaign contributions.³⁴ The draft affidavit was prepared for Mr. Kazran's signature, and accordingly refers to him in the first person.³⁵ It stated that "[d]uring the course of tense and somewhat hostile negotiations between my lawyers and me, and representatives for [Representative] Buchanan, I advised a representative of [Representative] Buchanan that one or more of the dealerships of which I was in operational control had reimbursed certain individuals who had contributed to [VBFC]."³⁶ It went on to state that "[b]efore September 2008 *neither I*, nor to my knowledge any other person who had ever advised [Representative] Buchanan or any of his representatives had any information that [these dealerships] reimbursed certain individuals for contributions made to [VBFC]."³⁷ The affidavit further stated that Mr. Kazran had not heard Representative Buchanan threaten discrimination or reprisal to dealership employees for failing to make a contribution, had not heard Representative Buchanan approve of plans to reimburse contributions, and had not been advised by any third party that Representative Buchanan was aware of plans to reimburse contributions.³⁸

The precise nature of Representative Buchanan's involvement in the process of either constructing the draft affidavit or attempting to get Mr. Kazran to sign it is very much in dispute. Representative Buchanan claimed in testimony before the FEC and the Committee that he had not seen the draft affidavit at the time it was provided to Mr. Kazran, although it was attached to the settlement term sheet that he signed.³⁹ Indeed, during his testimony before the Committee, Representative Buchanan stated that he could not remember ever having reviewed the affidavit, despite it being a central part of both the FEC and OCE investigations.

All of Mr. Kazran's written communications regarding the reimbursed contributions and the settlement were directed at either Mr. Tosch or Representative Buchanan's litigation counsel, and not to Representative Buchanan directly. However, Mr. Kazran stated to OCE that he had dinner with Representative Buchanan and Mr. Tosch in early October 2008, and at that dinner the two men pressured Mr. Kazran to sign the draft affidavit. Representative Buchanan, in his testimony before the FEC and the Committee, denied ever speaking directly to Mr. Kazran about the affidavit, and noted that Mr. Kazran stated in two emails that Mr. Kazran "attempted to speak with [Representative Buchanan] directly but he did not answer,"⁴⁰ and "[a]t no time [did Representative Buchanan and I] discuss[] signing documentation that has nothing to do with our agreement [sic]."⁴¹ Mr. Tosch, for his part, denied ever discussing the affidavit in person with

³³ OCE's Referral, Ex. 1.

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

³⁷ *Id.* (emphasis added).

³⁸ *Id.*

³⁹ FEC Investigation, Deposition of Representative Buchanan.

⁴⁰ VGB-HCE 004296.

⁴¹ VGB-HCE 004312.

Mr. Kazran, and stated that all of his participation in negotiations during this period consisted of either conversations between the two sides' attorneys, or unsolicited and unreciprocated contact from Mr. Kazran to Mr. Tosch, not the other way around.⁴²

On the other hand, it is clear that Representative Buchanan knew by at least October 2008 of the allegation that HNJ reimbursed its employees for contributions to VBFC, as evidenced by a voicemail message that Representative Buchanan appears to have left for Mr. Kazran. While the transcript of the voicemail does not indicate its date, Mr. Kazran told OCE that he received and recorded the voicemail after he received the draft affidavit on October 2, 2008, and after he allegedly had a conversation during which Representative Buchanan urged Mr. Kazran to sign the draft affidavit.⁴³ In the voicemail, Representative Buchanan did not specifically discuss the draft affidavit, but on one occasion he did assert that Mr. Kazran faced legal liability for any reimbursed contributions, while at the same time denying his own involvement:

I think the threatening of the political stuff and all that, you got more liability than you know if you start telling people that you reimbursed people, because technically you have that liability. All I told you, and I've always made it clear is that you can't reimburse people. They've got to give it under their free will. You know that. At 12, 18 points, we're going to win the election anyway.⁴⁴

Mr. Kazran ultimately refused to sign the draft affidavit, and on October 6, 2008, VBFC filed a self-report to FEC disclosing the improper contributions from HNJ and asking for guidance on how to dispose of those funds.⁴⁵ VBFC ultimately disgorged the contributions, consistent with FEC's recommendation. Also on October 6, 2008, Representative Buchanan's litigation counsel recirculated a revised Term Sheet, which did not contain the draft affidavit.⁴⁶ On October 16, 2008, Representative Buchanan's litigation counsel revised the Term Sheet again and sent it to Mr. Kazran's attorneys; this version still excluded the draft affidavit, but increased Representative Buchanan's proposed cash payout to \$3 million. In the end, no agreement was reached.

⁴² FEC Investigation, Deposition of John Tosch. Representative Buchanan noted in his testimony that the time period in question included his wedding anniversary (during which he would have been unavailable for a dinner with Mr. Kazran). FEC Investigation, Deposition of Representative Buchanan. Additionally, Representative Buchanan recorded votes on bills in the House on the evening of October 2, 2008, and on the afternoon of October 3, 2008. 154 Cong. Rec. H10671-05 (2008) (Roll Call No. 676); 154 Cong. Rec. H10805 (Roll Call No. 681).

⁴³ OCE's Referral, Ex. 2 ¶¶ 31-33.

⁴⁴ FEC Investigation, Deposition of Sam Kazran. Representative Buchanan appears to have left a second voicemail message for Mr. Kazran, which did not directly mention reimbursed contributions, and instead focused on the private business disputes between him and Mr. Kazran, encouraging him to agree to a settlement. Nothing in the transcript of the recorded voicemails indicated the dates on which they occurred, but it is worth noting that by October 6, 2008, the draft affidavit had been removed from the proposed Term Sheet.

⁴⁵ See FEC Investigation, *Sua Sponte* Submission from VBFC (Oct. 6, 2008).

⁴⁶ VGB-HCE 004315-19.

The parties continued to litigate their dispute in Florida state court. Mr. Kazran included in subsequent versions of his civil complaint allegations related to the draft affidavit, among other allegations.⁴⁷ Specifically, Mr. Kazran alleged that Representative Buchanan abused the legal process by attempting to force Mr. Kazran to sign a false affidavit. Ultimately, the court granted partial summary judgment in favor of Representative Buchanan for some of Mr. Kazran's claims, then entered a directed verdict against Mr. Kazran and in favor of Representative Buchanan on the rest of Mr. Kazran's claims.⁴⁸ While that disposition indicated that the court had rejected Mr. Kazran's claims about the draft affidavit, the record does not make clear the court's legal or factual rationale for doing so. Representative Buchanan prevailed on his own claims against Mr. Kazran after a jury trial.⁴⁹

B. Allegations of Representative Buchanan's Involvement With, and Knowledge of, Conduit Contributions to VBFC

1. Suncoast Ford (SCF)

SCF was, at the time relevant to this matter, a car dealership in Port Richey, Florida. Representative Buchanan owned a majority stake in SCF, but was not involved in its day-to-day operations; Gary Scarbrough was the operating minority partner. Four SCF officers and employees – Mr. Scarbrough, Kenneth Lybarger, Harold Glover, and M. Osman Ally – each contributed \$4,600 to VBFC in March 2007 via personal check.⁵⁰ According to Mr. Lybarger, SCF's controller, Mr. Scarbrough, subsequently directed him to cut checks from SCF's bank account to reimburse the four SCF officers and employees for their VBFC contributions.⁵¹ Mr. Scarbrough told the FEC that, while Representative Buchanan had asked him on a number of occasions to contribute to VBFC, he could recall very little about the reimbursements themselves.⁵² Eventually, an auditor who worked for Buchanan Automotive Group reviewed SCF's books and discovered the reimbursements. SCF then notified VBFC of the reimbursements, and VBFC refunded the contributions to the individuals in question.⁵³ Mr. Scarbrough testified that, at the time he caused SCF to reimburse the individual contributions, he did not know that such reimbursement violated campaign finance laws, and that doing so was a "mistake."⁵⁴ The FEC found, based on these uncontested facts, that SCF and Mr. Scarbrough had both knowingly violated 52 U.S.C. § 30122, and directed SCF and Mr. Scarbrough to pay fines of \$7,000 and \$8,500, respectively.⁵⁵ However, the FEC found no evidence that Representative Buchanan was involved in or aware of SCF's decision to reimburse its

⁴⁷ *Kazran v. Buchanan* (Aug. 10, 2012) (Third Amended Complaint).

⁴⁸ *Kazran v. Buchanan* (Dec. 5, 2014) (Final Judgment).

⁴⁹ *Id.*

⁵⁰ See FEC Investigation, Conciliation Agreement with Gary Scarbrough at ¶ 4 (Dec. 20, 2011).

⁵¹ See FEC Investigation, General Counsel's Report #10 at 3 (Apr. 29, 2011).

⁵² See *Id.* at 4.

⁵³ See FEC Investigation, Conciliation Agreement with Gary Scarbrough at ¶ 8.

⁵⁴ FEC Investigation, General Counsel's Report #10 at 6.

⁵⁵ See FEC Investigation, Conciliation Agreement with SCF at VI (Dec. 20, 2011); FEC Investigation, Conciliation Agreement with Gary Scarbrough at VI.

employees' contributions to VBFC.⁵⁶ Representative Buchanan testified before the Committee that he was not involved in or aware of reimbursed contributions at SCF at the time they occurred.

2. *Venice Nissan Dodge (VND)*

VND was, at the time relevant to this matter, a car dealership in Venice, Florida. Representative Buchanan owned a majority stake in VND, but was not involved in its day-to-day operations, which were handled jointly by minority owner Shelby Curtsinger and general sales manager Donald Caldwell.⁵⁷ On or about September 15 or 16, 2005, Caldwell met with VND employees Jack Prater, Carlo Bell, Jason Martin, Marvin White, and William Mullins, and gave each man \$1,000 in cash.⁵⁸ Mr. Caldwell obtained the funds he used for this distribution from the VND accounting office, and the funds were drawn from a VND bank account.⁵⁹ Each of the five VND employees who received the \$1,000 in cash contributed the same amount to VBFC through personal checks written within a day or two after they received the cash.⁶⁰ Mr. Caldwell admitted that, around the same time he gave the \$1,000 to each of the five VND employees, he discussed with each of them the possibility that they might contribute to VBFC.⁶¹ The import of that conversation, however, was a matter of some disagreement. Mr. Bell alleged that Mr. Caldwell had explained that the \$1,000 was a reimbursement for donating to VBFC, and that when Mr. Bell objected, Mr. Caldwell asked him if he was “on the team” or not.⁶² Messrs. Prater, Martin, White, and Mullins, however, asserted that the bonuses were not connected to their contributions and that they gave to VBFC of their own free will.⁶³ These four VND employees, as well as Mr. Caldwell, testified that the \$1,000 cash payments were not unusual in the car sales business, and that they were paid to the VND employees for reaching certain performance targets.⁶⁴ Despite this factual dispute, the FEC determined that there was probable cause to believe that the \$1,000 cash payments, and the subsequent donations to VBFC, constituted a violation of 2 U.S.C. § 441f.⁶⁵ While VND and Mr. Caldwell never admitted guilt or responsibility for the violations, they nevertheless agreed to pay a fine of \$11,000, and to request that VBFC disgorge the \$5,000 in question.⁶⁶ VBFC disgorged those funds on October

⁵⁶ FEC Investigation, General Counsel's Report #9 at 12, 15 (Jan. 25, 2011).

⁵⁷ FEC Investigation, Conciliation Agreement with VND and Donald Caldwell at ¶¶ 1-2 (Aug. 11, 2010).

⁵⁸ *Id.* at ¶ 12.

⁵⁹ *Id.* at ¶ 11.

⁶⁰ *Id.* at ¶ 13.

⁶¹ FEC Investigation, General Counsel's Report #4 at 3 (June 2, 2010).

⁶² FEC Investigation, Complaint at Ex. A. David Padilla, a former VND employee, similarly alleged that he was approached with an offer to contribute to VBFC and be reimbursed by VND; Mr. Padilla stated that he refused to participate. *See Id.* at Ex. D.

⁶³ *See* FEC Investigation, Statement of Reasons by Vice Chair Caroline C. Hunter at 4-5 (Dec. 19, 2011).

⁶⁴ *Id.* at 4-5.

⁶⁵ FEC Investigation, Conciliation Agreement with VND and Donald Caldwell at ¶ 15.

⁶⁶ *Id.* at V-VI. It is important to note that the FEC's vote to accept this agreement with VND and Mr. Caldwell was not unanimous – one Commissioner credited the testimony of Mr. Caldwell and the VND employees other than Mr. Bell and concluded that the evidence did not “establish probable cause that a violation did occur.” FEC Investigation, Statement of Reasons by Vice Chair Caroline C. Hunter at 7.

7, 2010, by check to the U.S. Treasury. As was the case for the contributions for SCF, FEC found no evidence that Representative Buchanan was involved with or aware of VND's decision to reimburse its employees' contributions to VBFC.⁶⁷ Representative Buchanan testified to the Committee that he was not involved in or aware of reimbursed contributions at VND at the time they occurred.

3. *Hyundai of North Jacksonville (HNJ)*

Similar to both SCF and VND, the FEC found that Mr. Kazran and HNJ had violated 52 U.S.C. § 30122 by reimbursing HNJ employees for contributions to VBFC. However, unlike the other two dealerships, the FEC was unable to reach an agreement with Mr. Kazran in its ordinary process, and instead filed suit against him and HNJ in the United States District Court for the Middle District of Florida.⁶⁸ Mr. Kazran never admitted liability for his actions, but did ultimately settle the suit and agree to pay a fine of \$5,500.⁶⁹

The question of Representative Buchanan's involvement in the HNJ reimbursements is subject to substantially more dispute than his apparent lack of involvement in reimbursements from the other two dealerships. Mr. Kazran alleged in his testimony before FEC and OCE that all the actions he took were at the repeated direction of Representative Buchanan:

I instructed them to write a check and reimburse themselves for – because Mr. Buchanan had asked me to get money. And he specifically told me to get someone you trust and run it through the corporation.⁷⁰

Other witnesses testified that, while they did not directly witness Representative Buchanan directing conduit contributions at HNJ, they had observed other conversations and conduct that tended to show Representative Buchanan approving of such conduct. For example, HNJ's controller, Gayle Lephart, who reimbursed several HNJ employees for contributions to VBFC, stated that she overheard Mr. Kazran tell Representative Buchanan, during a phone call, "Vern, I'll handle it right now."⁷¹ Immediately after that call, Mr. Kazran directed Ms. Lephart to reimburse her own contribution to VBFC from HNJ funds. Joshua Farid stated that he overheard both sides of a telephone conversation during which Representative Buchanan told Mr. Kazran to reimburse contributions from HNJ employees with HNJ funds.⁷² Steve Silverio, one of Representative Buchanan's former business partners, testified that during a lunch in

⁶⁷ FEC Investigation, General Counsel's Report #9 at 15.

⁶⁸ *FEC v. Kazran*, No. 10-cv-1155 Docket #1 (M.D. Fla. Dec. 17, 2010).

⁶⁹ *FEC v. Kazran*, Docket #65 (Feb. 29, 2012). HNJ appears to be a defunct entity and did not enter an appearance in the case. Thus, the district court entered default judgment against HNJ for the full amount of the reimbursed contributions. *FEC v. Kazran*, Docket #69 (Mar. 8, 2012).

⁷⁰ FEC Investigation, Deposition of Sam Kazran; *see also* OCE's Referral, Ex. 2 ¶ 14.

⁷¹ OCE's Referral, Ex. 5 ¶ 13-15.

⁷² Mr. Farid's testimony is inconsistent with others, including Mr. Kazran himself, on this point. *See infra* n. 76 and accompanying text.

August or September 2005, Dennis Slater, who worked for Representative Buchanan's companies as Chief Operating Officer (COO), suggested that corporate funds could be used to reimburse contributions to Representative Buchanan's first House campaign.⁷³ More tangentially, Sal Rosa, a former officer in one of Representative Buchanan's companies, stated that before Representative Buchanan ran for office himself, Representative Buchanan asked Mr. Rosa to have his company reimburse a political contribution for another candidate. Mr. Rosa claimed that when he objected, Representative Buchanan told him to "finesse it."⁷⁴

However, the evidence described above was in many ways flawed, inconsistent, and ultimately insufficient to prove that Representative Buchanan was directly involved in, or was even aware of, the reimbursed contributions from HNJ. None of the documents contemporaneous with the reimbursed contributions corroborated Mr. Kazran's testimony; indeed, his testimony consistently referred to oral direction from Representative Buchanan, as opposed to memos or emails instructing him to reimburse contributions. Similarly, none of the witness testimony described above could consistently corroborate Mr. Kazran's allegations. By her own admission, Ms. Lephart never heard Representative Buchanan tell Mr. Kazran to reimburse contributions,⁷⁵ and Mr. Kazran explicitly rejected Mr. Farid's claim that Mr. Farid directly overheard Representative Buchanan tell Mr. Kazran to reimburse contributions during telephone conversations between Mr. Kazran and Representative Buchanan.⁷⁶

Mr. Silverio's testimony, similarly, did not directly connect Representative Buchanan to any of the reimbursed contributions, much less those that specifically took place at HNJ. While Mr. Silverio alleged that someone associated with Representative Buchanan suggested using corporate funds for contributions to VBFC generally, he did not connect Representative Buchanan directly to the suggestion, nor did he provide evidence that this suggestion led to any reimbursement of campaign contributions from corporate funds. In the same way, Mr. Rosa's uncorroborated testimony suggests that Representative Buchanan may have failed to comply with federal election laws when he raised funds for a different candidate, prior to entering politics himself. But other than an isolated comment to "finesse" the legality of a contribution, Mr. Rosa provided no additional information about Representative Buchanan knowing or approving of a specific scheme to reimburse those contributions. Put another way, the one-off comments that Mr. Silverio and Mr. Rosa heard and testified to were made in different contexts and without any contextual connection to the contributions at HNJ.

Mr. Kazran's uncorroborated testimony suffered from another, larger problem: his lack of credibility. Mr. Kazran's statement to OCE was inconsistent with his testimony before the

⁷³ *Id.* at 10.

⁷⁴ FEC Investigation, General Counsel's Report #9 at 14.

⁷⁵ *Id.* at 7, 9.

⁷⁶ See OCE's Referral, Ex. 2 ¶ 25 ("There was no instance when [Mr. Kazran] allowed someone to overhear a phone call with Representative Buchanan when reimbursements were discussed. *Anyone who said that is lying.*") (emphasis added); FEC Investigation, General Counsel's Report #9 at 8 (Mr. Farid's understanding of Representative Buchanan's involvement was "based on subsequent conversations [Mr. Farid] had with Mr. Kazran").

FEC: he testified to the former that Representative Buchanan first directed Mr. Kazran to reimburse contributions in June 2006, whereas Mr. Kazran told the FEC that first occurred in November 2005.⁷⁷ Because HNJ first reimbursed contributions to VBFC in 2005, Mr. Kazran's testimony to OCE makes it less likely that Representative Buchanan was involved in at least those initial contributions, if not the entire series of reimbursements. Mr. Kazran also appeared at times during the investigations to be motivated by personal and professional animus for Representative Buchanan. For example, in the weeks leading up to the 2010 election, he threatened to publicize the FEC investigation, in potential violation of the FEC's confidentiality rules, by filing a lawsuit related to the investigation.⁷⁸ Perhaps most concerning, a Georgia state court ordered Mr. Kazran to serve jail time for contempt of court, arising out of his fraudulent transfer of over \$100,000 from car dealerships owned by Mr. Kazran that were in receivership.⁷⁹ The FEC found that Mr. Kazran's conduct in that case reflected both on his honesty and his respect for the law.⁸⁰

Viewed in this context, Mr. Kazran's claims about what happened at HNJ fit less tidily into the totality of the circumstances. Without corroboration of Representative Buchanan's instruction to reimburse contributions, the pressure he may have exercised on his colleagues to donate to his campaigns appears less like a prelude to an illegal conduit scheme and more like hard-sell fundraising, which is not illegal. In the end, the flaws in Mr. Kazran's story and his character made it at least equally likely that he decided to reimburse the contributions himself, without Representative Buchanan's knowledge or involvement. The FEC appears to have reached this conclusion, and took no further action with respect to Representative Buchanan.⁸¹ In his testimony before the Committee, Representative Buchanan again asserted that he had not been involved in or had any knowledge of the reimbursed contributions at HNJ at the time they occurred.

When recommending that the FEC close its investigation of Representative Buchanan, the FEC's Acting General Counsel noted that Representative Buchanan's testimony was "not particularly credible."⁸² For example, the FEC's Acting General Counsel concluded that, despite Representative Buchanan's testimony to the contrary, it was unlikely that Representative Buchanan was not involved in the drafting of the affidavit.⁸³ In addition, Representative Buchanan testified that he could not remember asking Mr. Kazran to raise funds for VBFC, and testified that he did not "know what anybody has raised." However, the FEC's Acting General

⁷⁷ Compare OCE's Referral, Ex. 2 ¶ 12 with FEC Investigation, Deposition of Sam Kazran. In his OCE statement, Mr. Kazran referred to a conversation he allegedly heard between Representative Buchanan and two of his colleagues in late 2005 or early 2006, where reimbursements were discussed. But the other alleged participants in that conversation denied hearing Representative Buchanan authorize reimbursed contributions. See, e.g., OCE's Referral, Ex. 10 ¶ 23.

⁷⁸ FEC Investigation, General Counsel's Report # 9 at 3-4. Mr. Kazran's motives for attacking Representative Buchanan are discussed more fully in the section above.

⁷⁹ *Id.* at 3.

⁸⁰ *Id.*

⁸¹ FEC Investigation, Notification to Vernon G. Buchanan (Feb. 7, 2011).

⁸² See FEC Investigation General Counsel's Report #9 at 20.

⁸³ *Id.* at 19.

Counsel noted that VBFC kept lists of the amounts that Representative Buchanan's partners had raised, and his campaign treasurer testified that Representative Buchanan would regularly discuss fundraising activities with his partners at business meetings and through personal follow-ups.⁸⁴ Despite these issues, the FEC's Acting General Counsel recommended dismissal of the investigation of Representative Buchanan because these "inconsistencies on background issues do not necessarily show that [Representative] Buchanan directed [Mr.] Kazran to reimburse contributions."⁸⁵ However, the FEC's Acting General Counsel stated that Representative Buchanan's "inability to remember basic facts as to these uncontroversial, routine issues detracts from his credibility."⁸⁶

When the Committee interviewed Representative Buchanan, his recollection of details regarding fundraising from business partners was similarly vague. He had very little specific recollection of having solicited campaign donations from any particular partner or group of partners, although he acknowledged that "sometimes people would ask me if they could help in the campaign" after having meetings with his partners. He noted that the campaign did track donors, but that his own focus was on "relationships and people that I've worked with over the years [and soliciting a] maxed out contribution," as opposed to asking his colleagues to host large-scale fundraisers or bundle contributions from their own networks.

When asked about the similarities between the alleged conduit contributions at the aforementioned companies, Representative Buchanan denied that he had any knowledge or involvement in any of them, or of any coordination between these entities. Rather, Representative Buchanan postulated:

I have 55 entities. You're talking about Dodge where there is five or six people reimbursed \$1,000. You're talking about a Ford store that's up in the Clearwater area that was \$10,000, and Sam Kazran, that I'm aware of, and we raised in excess of \$10 million [in campaign contributions]. [T]he reality of it is, when you raise that much money over a period of 12 years almost, you're going to have some incidences....I do think that we had partners that were naïve....Unfortunately some of them were just overzealous to some extent. I don't think it's a lot in terms of the magnitude over all, but it's too much by any standard...we don't take employee contributions anymore.

⁸⁴ *Id.* at 21.

⁸⁵ *Id.* at 22.

⁸⁶ *Id.*

V. FINDINGS

A. 52 U.S.C. § 30122⁸⁷

A federal campaign finance statute, 52 U.S.C. § 30122, prohibits persons from making contributions in the name of another. The prohibition applies not only to persons who make such contributions, but also to persons who assist in such contributions, including “those who initiate or instigate or have some significant participation in a plan or scheme to make a contribution in the name of another[.]”⁸⁸ The statute applies to “knowing” and “willful” violations,⁸⁹ which is not to say that violations require a specific knowledge of the law, but rather that the defendant “acted deliberately and with knowledge that the representation was false.”⁹⁰ The FEC investigated the reimbursed contributions from Buchanan-affiliated companies to VBFC, and did not find that Representative Buchanan was responsible for violations of Section 441f.⁹¹ While the FEC staff noted that the matter “came close” to such a finding with respect to reimbursed contributions from one of the dealerships – HNJ – the FEC nevertheless voted to close the matter and take no further action.⁹²

The Committee’s own review of the evidence led to the same conclusion reached by the FEC. The witnesses to Representative Buchanan’s involvement with the conduit contributions at HNJ contradicted each other and could not substantiate a direct link between Representative Buchanan and the reimbursed contributions. Ms. Lephart heard only Mr. Kazran’s side of a telephone conversation, which did not include any explicit direction from Representative Buchanan. Mr. Farid, who was Mr. Kazran’s relative, claimed to have heard both sides of a conversation between Mr. Kazran and Representative Buchanan, but Mr. Kazran said that was a lie. Mr. Kazran himself had provided inconsistent testimony when speaking to the FEC and OCE, and his credibility was further compromised when a state court in Georgia convicted him of contempt in 2008 for diverting funds from one of his companies in violation of a court order.

The Committee was initially troubled that three different Buchanan-affiliated companies were caught reimbursing contributions to VBFC, along with a fourth company owned and controlled by Representative Buchanan’s close friend, Timothy Mobley. Such facts reasonably raise questions about Representative Buchanan’s involvement in the various schemes and explain why so many entities investigated these allegations. The Committee was also concerned that Mr. Silverio testified that one of Representative Buchanan’s close associates suggested reimbursing contributions as a general matter, and that Mr. Rosa testified that, before Representative Buchanan even ran for office himself, he suggested reimbursing contributions for another candidate from corporate funds.

⁸⁷ Previously codified as 2 U.S.C. § 441f.

⁸⁸ 11 C.F.R. § 110.4(b)(1)(iii); 54 Fed. Reg. 34098 (1989).

⁸⁹ See 52 U.S.C. § 30109(a)(5)(B), 30109(d), previously codified as 2 U.S.C. § 437g.

⁹⁰ *United States v. Hopkins*, 916 F.2d 207, 214 (5th Cir. 1990).

⁹¹ FEC Investigation, General Counsel’s Report #9 at 27.

⁹² *Id.*

However, when viewed in the context of all the available evidence, these facts, on their own, were not sufficient to conclude that Representative Buchanan knew of the unlawful reimbursements prior to September 2008, or had some role in directing or approving of them. Indeed, it is not unreasonable to conclude that each dealership's management, in response to intense fundraising efforts from VBFC, made a similar error in judgment and reimbursed contributions independent of the choices of one another. Moreover, none of the witnesses could credibly claim that they heard Representative Buchanan direct the reimbursement of campaign contributions to VBFC, or even show that he knew of them. While Mr. Silverio did testify that an associate of Mr. Buchanan suggested reimbursing contributions through corporate funds, as the FEC said, Mr. Silverio's testimony "eliminated [Representative] Buchanan's involvement in this incident."⁹³ The witness who came closest to implicating Representative Buchanan directly – Mr. Rosa – testified about a conversation that occurred before Representative Buchanan even ran for his House seat and concerned a different candidate. All told, there was insufficient evidence to conclude that Representative Buchanan knew of or directed conduit contributions at any companies with which he was affiliated.

Accordingly, the Committee did not find that Representative Buchanan violated Section 30122.

B. Title 18

Three statutes criminalize improper influence over the testimony of witnesses before federal tribunals. Those statutes – sections 201(b)(3), 1505, and 1512(b)(1) of Title 18 – criminalize related conduct in slightly different ways. First, 18 U.S.C. § 201(b)(3) prohibits persons from knowingly and corruptly giving, offering, or promising anything of value to a witness, with the intent of influencing that witness' testimony. Second, 18 U.S.C. 1505 prohibits persons from knowingly and corruptly influencing, obstructing, or impeding pending proceedings before a federal agency, such as the FEC, or from knowingly and corruptly endeavoring to influence, obstruct, or impede such a proceeding. Third, 18 U.S.C. § 1512(b)(1) prohibits persons from knowingly and corruptly intimidating, threatening, engaging in misleading conduct, or corruptly persuading another person with the intent of influencing a person's testimony. All of these statutes prohibit "knowing" and "corrupt" actions, which is to say that a particular act only violates the law if it was taken with the intent to accomplish the wrongful end.⁹⁴ The Supreme Court has clarified that, at least with respect to Section 1512, liability is limited to "persuaders conscious of their wrongdoing."⁹⁵ And the statutes themselves state that they do not apply to actions that "consisted solely of lawful conduct and [where] the defendant's sole intention was to encourage, induce, or cause the other person to testify

⁹³ FEC General Counsel's Report #9 at 11.

⁹⁴ See, e.g., *Arthur Andersen v. United States*, 544 U.S. 696 (2005); *United States v. Bhagat*, 436 F.3d 1140 (9th Cir. 2006).

⁹⁵ *Arthur Andersen*, 544 U.S. at 706.

truthfully,”⁹⁶ as well as “the providing of lawful, bona fide, legal representation services in connection with or anticipation of an official proceeding.”⁹⁷

Paragraph 5 of the draft affidavit would have required Mr. Kazran to swear that he, Mr. Kazran, did not know that HNJ reimbursed its employees’ contributions to VBFC until September 2008, after the reimbursements occurred.⁹⁸ However, the record shows that Mr. Kazran did know of the reimbursed contributions before September 2008. First, Mr. Kazran has admitted directing the reimbursements in 2005, 2006, and 2007.⁹⁹ Additionally, Ms. Lephart and Mr. Farid both testified that Mr. Kazran was involved in the reimbursements.¹⁰⁰ However, to demonstrate that Representative Buchanan attempted to improperly influence Mr. Kazran’s testimony would require a showing that Representative Buchanan knew the statement about Mr. Kazran’s knowledge was in the draft affidavit, and knew that statement was false.

The Committee reviewed the available evidence and ultimately concluded that the evidence was insufficient to find that Representative Buchanan knowingly or corruptly attempted to influence Mr. Kazran’s testimony in an unlawful way. This finding was consistent with the reviews of the FEC, DOJ, and the Florida state court. OCE, however, found substantial reason to believe Representative Buchanan improperly influenced Mr. Kazran’s testimony before the FEC. OCE noted in its Referral that the fact that some witnesses, including Representative Buchanan, failed to cooperate with its investigation permitted it to draw an adverse inference against those witnesses. However, OCE determined that, even without such an inference, the evidence was “more than sufficient” to support its determination.¹⁰¹

Thus, despite the lack of cooperation from Representative Buchanan, OCE found there was substantial reason to believe that Representative Buchanan knew that paragraph 5 was false. This finding was based on certain communications between Mr. Kazran and either Representative Buchanan or Representative Buchanan’s employees. As a threshold matter, OCE noted that the September 8, 2008 email itself disclosed Mr. Kazran’s involvement in the reimbursed contributions, giving Representative Buchanan notice that Mr. Kazran would have known about them before that date.¹⁰² OCE further relied on two emails sent by Mr. Kazran and Mr. Farid to employees of Representative Buchanan in August 2008, discussing campaign contributions, noting that HNJ had supported Representative Buchanan “to a tune of \$80K” and that Mr. Kazran was “the only one in our group that has donated over 80k” to VBFC.¹⁰³ Finally, OCE noted that Representative Buchanan himself stated in an October 2008, voicemail that Mr. Kazran had legal responsibility for the reimbursed contributions, and therefore must have known of Mr. Kazran’s own involvement.¹⁰⁴

⁹⁶ 18 U.S.C. § 1512(e).

⁹⁷ 18 U.S.C. § 1515(c).

⁹⁸ OCE’s Referral ¶ 37.

⁹⁹ *Id.* ¶ 38-41, Ex. 2.

¹⁰⁰ *Id.* ¶ 43-50.

¹⁰¹ *Id.* ¶ 87.

¹⁰² *Id.* ¶ 53-57.

¹⁰³ *Id.* ¶ 62-63.

¹⁰⁴ *Id.* ¶ 65.

Representative Buchanan has offered two responses to the allegation that he intended to cause Mr. Kazran to sign a false affidavit. First, he has stated that Paragraph 5 of the draft affidavit was true on its face.¹⁰⁵ However, Representative Buchanan reaches this conclusion by ignoring key language from Paragraph 5, namely the statement that Mr. Kazran did not know of the illegal reimbursements before September 2008. FEC's Acting General Counsel found that this portion of the affidavit was false,¹⁰⁶ and the Committee reached the same conclusion.

Second, and more persuasively, Representative Buchanan asserts that Paragraph 5, while it is "admittedly inartful and contains typos," was intended to establish that *Representative Buchanan* had no knowledge of the reimbursed campaign contributions prior to Mr. Kazran's September 8, 2008, email to Mr. Tosch.¹⁰⁷ In other words, Representative Buchanan claims that the false language in Paragraph 5 was a drafting error, and that this is clear from the general purpose of the draft affidavit, the circumstances surrounding it, and the sections other than Paragraph 5. Representative Buchanan also claims that he did not see the draft affidavit until years after it was provided to Mr. Kazran.

While OCE focused on the plain reading of Paragraph 5, and the false statement it contained, it did not explain why Representative Buchanan would have wanted Mr. Kazran to swear that *Mr. Kazran* was unaware of the reimbursed contributions prior to September 2008, given that the draft affidavit was intended to be filed with the FEC, to establish *Representative Buchanan's* lack of knowledge of the reimbursement scheme. However, Representative Buchanan's intentions regarding the draft affidavit are critical to the determination of whether his provision of an admittedly false affidavit to Mr. Kazran was a violation of any of the criminal statutes OCE cited.

Ultimately, the Committee did not find sufficient evidence that Representative Buchanan knowingly or corruptly attempted to influence Mr. Kazran's testimony in an unlawful way. As a threshold matter, an offer of a monetary settlement in exchange for the execution of an affidavit, without further evidence of corrupt intent, is not illegal. Indeed, such offers are a standard element of settlement discussions in commercial litigation. Of course, if Representative Buchanan knowingly or corruptly attempted to cause Mr. Kazran to sign a false affidavit, he may have violated the statutes OCE cited in its Referral.¹⁰⁸ But proof of such a violation requires an analysis of Representative Buchanan's intent; it is not enough merely to show that Representative Buchanan's attorney presented an affidavit containing a single false statement to Mr. Kazran. Thus, the Committee considered the totality of the circumstances surrounding the language at issue.

¹⁰⁵ Letter from Counsel to Representative Buchanan to OCE ("Representative Buchanan's OCE Response") at 3.

¹⁰⁶ *Id.* at 3-4.

¹⁰⁷ *Id.* at 4.

¹⁰⁸ It is worth noting that OCE did not cite any case law or other precedent supporting its application of the three statutes in question to the facts as OCE found them.

This analysis necessarily begins with Representative Buchanan's knowledge of the contents of the affidavit. Representative Buchanan testified that he had not seen the affidavit at the time it was presented to Mr. Kazran, and OCE's Referral did not cite any evidence to the contrary. While the FEC's Acting General Counsel found that "[i]t is improbable that Buchanan's attorneys drafted the affidavit and presented it to Kazran without Buchanan's involvement,"¹⁰⁹ there is no evidence, either in documents or testimony, showing that Representative Buchanan actually reviewed the final document, including the disputed language in Paragraph 5, before his attorney presented it to Mr. Kazran.¹¹⁰ Thus, the Committee could not conclude that Representative Buchanan provided an affidavit to Mr. Kazran that Representative Buchanan had read and knew to be false.

Moreover, as Representative Buchanan has explained, the idea that Paragraph 5 was intended to establish *Mr. Kazran's* lack of knowledge of the reimbursed contributions before September 2008 makes very little sense given the context of the draft affidavit and the surrounding dispute. By October 2, 2008, Representative Buchanan had been aware for a month that HNJ employees had made improper contributions to VBFC. If indeed he was not involved in those contributions, he understood that liability would rest on those who were responsible, namely Mr. Kazran. The voicemail recorded by Mr. Kazran confirms Representative Buchanan's understanding, when he stated that "technically [Mr. Kazran has] that liability." In fact, not only did Representative Buchanan appear to understand Paragraph 5 (and the rest of the draft affidavit) to disclaim only his own knowledge and not Mr. Kazran's knowledge, Mr. Kazran himself understood the draft affidavit in this way, stating that the draft affidavit made him the "fall guy" and "blame[d] everything on [Mr. Kazran.]"¹¹¹ The FEC also appears to have adopted this understanding of Paragraph 5,¹¹² as both its questioning of Mr. Kazran and an initial report from the General Counsel focused on the draft affidavit only insofar as it might disclaim knowledge on the part of Representative Buchanan.¹¹³ Put another way, many persons used context clues to read paragraph 5 in a way that, while inconsistent with its plain text, placed it in line with the rest of the circumstances.

Such a conclusion is even more reasonable considering the nature of the draft affidavit itself. It is not uncommon for attorneys to secure statements from witnesses in anticipation of a proceeding, which can include drafting a proposed statement for discussion with that witness. It is also not fair to assume, without other evidence, that such drafts represent a premeditated and intentional attempt to put words in a witness's mouth, or that they are not subject to negotiation and revision. Courts that have confronted similar issues have held that simply providing a

¹⁰⁹ FEC General Counsel's Report #9 at 19.

¹¹⁰ Of course, the October 2, 2008 Term Sheet does bear Representative Buchanan's signature. Representative Buchanan acknowledged that he may have signed the signature page of the October 2, 2008 term sheet without reviewing the rest of the document, including the affidavit. The signature lines are on a separate page from the settlement terms and the affidavit.

¹¹¹ See OCE's Referral, Ex. 2 ¶ 31; FEC Investigation, Deposition of Sam Kazran.

¹¹² See FEC Investigation, General Counsel's Report #9 at 17-19.

¹¹³ See FEC Investigation, Deposition of Sam Kazran; FEC General Counsel's Report #2, 20.

potential witness with a draft affidavit for his signature does not, by itself, constitute the obstruction of justice.¹¹⁴

On a similar note, it is unclear that simply providing paragraph 5 in the course of settlement negotiations constituted “corrupt persuasion” under Section 1512, or obstruction of justice, or witness bribery. There appear to have been no consequences for Mr. Kazran’s refusal to sign the draft affidavit in terms of the ongoing dispute between him and Representative Buchanan. The Term Sheets before and after the one that included the draft affidavit do not evidence an attempt to increase the value of any settlement that included the draft affidavit; rather, the monetary value of Representative Buchanan’s settlement offer to Mr. Kazran increased after the draft affidavit was dropped from the agreement. Similarly, far from being a nonnegotiable condition for Representative Buchanan, the evidence suggests that his attorneys continued to negotiate in the same way they had, irrespective of whether the draft affidavit was included. Even Mr. Kazran’s September 8, 2008 email disclosing the reimbursed contributions came in the context of these same settlement negotiations, and so it appears that it was Mr. Kazran, not Representative Buchanan, who injected the campaign finance issues into the unrelated commercial dispute between the two men. Nor does the fact that Representative Buchanan countersued Mr. Kazran in the commercial dispute establish any corrupt intent to influence his testimony. Courts considering allegations of witness tampering in settlement negotiations have held that “threats of litigation do not form the basis of a witness tampering allegation,”¹¹⁵ and that “[i]n a litigious society such as ours, it is thin-skinned to think that a threatened counter-suit, or otherwise, in response to an initial threat of legal action is witness intimidation rather than a mere puffing or power play among negotiators.”¹¹⁶

It is notable that DOJ received a citizen complaint regarding these same allegations, and chose not to pursue criminal charges against Representative Buchanan. Similarly, Mr. Kazran included related allegations regarding the draft affidavit in his complaint against Representative Buchanan in Florida state court, and Representative Buchanan prevailed in that case. The Committee is not privy to the internal rationale for DOJ’s decision, and did not observe the Florida state proceedings firsthand. The Committee would not defer to these decisions, even if their basis was clear. But based on the Committee’s own analysis above, it has found no reason to deviate from the result reached in those two forums. Accordingly, the Committee found insufficient evidence that Representative Buchanan violated Section 201, 1505, or 1512 of Title 18.

¹¹⁴ See, e.g., *United States v. Brand*, 775 F.2d 1460, 1469 (11th Cir. 1985); see also *Resolution Trust Corp. v. Bright*, 6 F.3d 336, 341 (5th Cir. 1993) (“Placing statements in a draft affidavit that have not been previously discussed with a witness does not automatically constitute bad-faith conduct”); *Harrington v. United States*, 267 F. 97, 101 (8th Cir. 1920) (“It is not an unlawful attempt to influence or impede a witness, or the due administration of justice, for one to seek to obtain from a witness a statement of the facts as he believes them to be, without the exercise of undue influence, even though such a statement may conflict with prior testimony given by the one making the statement. Such an effort is not regarded with favor, because of the temptation to influence the witness unduly; but the mere request for a statement believed to be true...is not corrupt conduct.”).

¹¹⁵ *G-I Holdings, Inc. v. Baron & Budd*, 179 F.Supp.2d 233 (S.D.N.Y. 2001).

¹¹⁶ *Philadelphia Reserve Supply Co. v. Nowalk & Assoc., Inc.*, No. 91-CV-0449, 1992 WL 210590 at *6 (E.D. Pa. Aug. 25, 1992).

C. House Rule XXIII, Clauses 1 and 2

As stated in previous reports,¹¹⁷ the Committee observes two basic principles when applying the first two clauses of the Code of Conduct. First, Members must at all times act in a manner that reflects creditably upon the House. This standard was created to provide the Committee “the ability to deal with any given act or accumulation of acts which, in the judgment of the [C]ommittee, are severe enough to reflect discredit on the Congress.”¹¹⁸ Clause 1 “encompass[es] violations of law and abuses of one’s official position.”¹¹⁹ It is a “purposefully . . . subjective” standard.¹²⁰

Second, the Committee notes the proposition that the Code of Conduct and other standards of conduct governing the ethical behavior of the House community are not criminal statutes to be construed strictly, but rather – under clause 2 of House Rule XXIII – must be read to prohibit violations not only of the letter of the rules, but of the spirit of the rules. Ethical rules governing the conduct of Members were created to assure the public of “the importance of the precedents of decorum and consideration that have evolved in the House over the years.”¹²¹ The standard “provide[s] the House with the means to deal with infractions that rise to trouble it without burdening it with defining specific charges that would be difficult to state with precision.”¹²² The practical effect of Clause 2 is to allow the Committee to construe ethical rules broadly, and prohibit Members, officers and employees of the House from doing indirectly what they would be barred from doing directly. The *Ethics Manual* states that “a narrow technical reading of a House Rule should not overcome its ‘spirit’ and the intent of the House in adopting that and other rules of conduct.”¹²³

The Committee has endeavored to read the applicable laws and rules in this matter in light of these provisions in the Code of Conduct. This is somewhat in tension with the general rule that criminal statutes such as those that formed the basis of OCE’s Referral are to be construed narrowly.¹²⁴ But even a broad reading of applicable rules does not create liability in the absence of substantial evidence of wrongdoing. Clause 2 of the Code of Conduct is intended to capture instances where there is such evidence that a party violated the spirit of the rule, not to create a lower standard of proof. Innuendo is not evidence. In this case, the FEC, DOJ, and a Florida state court examined the facts of Representative Buchanan’s relationship with Mr.

¹¹⁷ See, e.g., Comm. on Ethics, *In the Matter of Allegations Relating to Representative Alcee L. Hastings*, H. Rept. 113-663, 113th Cong. 2d Sess. at 14-15 (2014); *In the Matter of Allegations Relating to Representative Don Young*, H. Rept. 113-487, 113th Cong. 2d Sess. 45-46 (2014); *In the Matter of Allegations Relating to Representative Shelley Berkley*, H. Rept. 112-716, 112th Cong. 2d Sess. 36-37 (2012).

¹¹⁸ 114 Cong. Reg. 8778 (Apr. 3, 1968) (Statement of Representative Price).

¹¹⁹ *Ethics Manual* at 16.

¹²⁰ 114 Cong. Reg. 8778 (Apr. 3, 1968) (Statement of Representative Price).

¹²¹ House Comm. on Standards of Official Conduct, *Report under the Authority of H. Res. 418*, H. Rept. 90-1176, 90th Cong. 2d Sess. 17 (1968).

¹²² 114 Cong. Reg. 8778 (Apr. 3, 1968) (Statement of Representative Price).

¹²³ *Ethics Manual* at 17 (citing House Select Comm. on Ethics, *Advisory Opinion No. 4*, H. Rept. 95-1837, 95th Cong. 2d Sess. app. 61 (1979)).

¹²⁴ See generally *United States v. Wiltberger*, 18 U.S (5 Wheat.) 35, 43 (1820).

Kazran, and none of them were able to substantiate any violations of election laws or witness intimidation. The Committee has reviewed the evidence and does not find sufficient basis to reach an alternative conclusion.

Having said that, the Committee is concerned that, when recommending that the FEC dismiss the investigation of Representative Buchanan, the FEC's Acting General Counsel found that the evidence "comes close" to showing that Representative Buchanan directed or was aware of reimbursed contributions from HNJ. Moreover, if indeed that evidence of his involvement had been more substantial, even Representative Buchanan's proffered interpretation of Paragraph 5 of the draft affidavit – that he did not know of reimbursed contributions at HNJ before September 2008 – would have been false, and consequently, the Committee's conclusion regarding the import of the draft affidavit may have been different.

Indeed, it is troubling that part of the "close" case for the FEC's Acting General Counsel was its determination that parts of Representative Buchanan's own testimony were "not particularly credible."¹²⁵ To be clear, the Committee's own review of Representative Buchanan's testimony led the Committee to slightly different conclusions about Representative Buchanan's candor. For example, the FEC's Acting General Counsel concluded it unlikely that Representative Buchanan was not involved in the drafting of the affidavit, because (1) the affidavit related to matters outside the scope of the private dispute between Representative Buchanan and Mr. Kazran, which was the primary focus of the negotiations, and (2) because it related to a matter that could have had electoral consequences for Representative Buchanan in advance of the 2008 House elections.¹²⁶ Representative Buchanan's testimony before the Committee was similarly vague and unclear regarding his role in drafting the affidavit, especially his continued lack of recall with respect to the document, despite no fewer than three investigations regarding it. It would be more understandable if Representative Buchanan claimed that the passage of time had made it difficult to recall the process of drafting an eight-year-old affidavit, but it is more difficult to ascertain precisely how he might have remained ignorant of a two-page document that has become so central to his own reputation.

But despite this lack of clarity, the evidence is simply insufficient to show precisely what role he had in drafting the affidavit, if any. Apart from the circumstances the FEC's Acting General Counsel describes, the General Counsel cited no evidence to contradict Representative Buchanan's testimony that he had almost nothing to do with the affidavit, and even if he had been more engaged, that does not suggest that he would have caught the false statement in paragraph 5 that so many others apparently missed.¹²⁷

On the other hand, some of the FEC's Acting General Counsel's concerns about Representative Buchanan's credibility arose because other, credible evidence contradicted his

¹²⁵ See FEC Investigation General Counsel's Report #9 at 20-22.

¹²⁶ *Id.* at 19.

¹²⁷ It would have been prudent for Representative Buchanan to have read the affidavit before his attorneys transmitted it to Mr. Kazran, particularly given that Representative Buchanan signed the Term Sheet to which the affidavit was attached.

testimony, especially as it related to his involvement in his campaign's fundraising activities. While Representative Buchanan testified that he could not remember asking Mr. Kazran to raise funds for VBFC, and testified that he did not "know what anybody has raised," the FEC noted that VBFC kept lists of the amounts that Representative Buchanan's partners had raised, and his campaign treasurer testified that Representative Buchanan would regularly discuss fundraising activities with his partners at business meetings and through personal follow-ups.¹²⁸ Indeed, Representative Buchanan's lack of recall about basic details of his fundraising, while perhaps explainable by his tendency to rely on others to work out the details of his strategies, made his testimony before the Committee at least difficult to follow, if not difficult to believe.

The FEC's Acting General Counsel concluded, and the Committee agreed, that "inconsistencies on background issues do not necessarily show that [Representative] Buchanan directed [Mr.] Kazran to reimburse contributions."¹²⁹ But as the recommendation of the FEC's Acting General Counsel stated, Representative Buchanan's "inability to remember basic facts as to these uncontroversial, routine issues detracts from his credibility."¹³⁰ If there were additional evidence that, beyond simply failing to recall basic and uncontroversial facts, a Member had provided false testimony on material facts to a government agency, the Committee would likely consider such false testimony a violation of Clauses 1 and 2 of the Code of Conduct. Representative Buchanan, and all Members, should assiduously guard their credibility, as it is an integral part of the public trust they inherit through their service.

The Committee notes that in both the circumstances surrounding contributions to VBFC reimbursed through Buchanan-affiliated companies, and in the circumstances surrounding the draft affidavit, Representative Buchanan has put forth very little evidence, if any, regarding his own oversight and compliance efforts. He testified to the FEC that VBFC sent a letter to Buchanan-affiliated companies regarding election laws after he learned of problems with reimbursed contributions, but never produced such a letter to the FEC or the Committee, and, while he testified that he no longer accepts contributions from employees of Buchanan-affiliated companies, he apparently took no corrective action with respect to any employees implicated in the conduit contributions. In his testimony before the Committee, Representative Buchanan could not explain the unusual pattern of reimbursed contributions from multiple corporate entities with which he was affiliated, beyond stating that such violations are bound to occur, and that perhaps his colleagues became "overzealous" in their desire to assist his campaign. The Committee does not believe such violations are bound to occur in every campaign, and like Representative Buchanan, is unable to explain how multiple corporate entities came to participate in similar but separate conduit contributions schemes benefitting Representative Buchanan's campaign. Had Representative Buchanan or his campaign been more proactive in explaining the law to colleagues at the time they were soliciting donations – particularly after they first became aware there were concerns about compliance with respect to contributions associated with a company associated with Representative Buchanan – perhaps the subsequent similar issues could have been avoided. Similarly, issues with respect to the draft affidavit might

¹²⁸ *Id.* at 21.

¹²⁹ *Id.* at 22.

¹³⁰ *Id.*

have been avoided had Representative Buchanan read the affidavit. The Committee cautions Representative Buchanan to exercise more diligence over affairs related to his campaign.

VI. CONCLUSION

VBFC accepted campaign donations from individuals who were subsequently reimbursed through the corporate funds of companies affiliated with Representative Buchanan. The FEC investigated those donations and failed to find sufficient evidence that Representative Buchanan directed or knew of any unlawful reimbursements. DOJ also reviewed allegations against Representative Buchanan and similarly closed its investigation. A Florida state court hearing a private dispute between Mr. Kazran and Representative Buchanan, including claims that the draft affidavit was an abuse of the civil process, held against Mr. Kazran and for Representative Buchanan. OCE's Referral recommended further review regarding the wording of a single paragraph in a draft affidavit Representative Buchanan's attorney's proposed to Mr. Kazran, for use in the FEC investigation. The Committee has independently reviewed the evidence in this case and reached a conclusion in accord with the FEC, DOJ, and the state trial court. The Committee concluded that the existing evidence is insufficient to sustain any of the aforementioned allegations or to warrant any action against Representative Buchanan. However, the Committee noted that Representative Buchanan admitted that he had relatively limited knowledge or involvement with certain facets of his campaign

Because the evidence is insufficient to conclude that Representative Buchanan himself was aware of the unlawful reimbursements at the time they occurred, or had any role in directing or approving of them, and the evidence is insufficient to find that Representative Buchanan attempted to improperly influence the testimony of Mr. Kazran before the FEC, the Committee has determined to take no further action in this matter, and upon publication of this Report, considers the matter closed.

VII. STATEMENT UNDER HOUSE RULE XIII, CLAUSE 3(C)

The Committee made no special oversight findings in this Report. No budget statement is submitted. No funding is authorized by any measure in this Report.